

CITY OF HORSESHOE BAY
CITY COUNCIL MEETING
MINUTES

The City Council of the City of Horseshoe Bay held a Regular Meeting at City Hall September 6, 2016, beginning at 9:00 a.m. in accordance with duly posted notice of said meeting with the following members present:

Stephen T. Jordan, Mayor
Craig Haydon, Mayor Pro Tem
Cynthia Clinesmith, Council Member
Jerry Gray, Council Member
Reagan Lambert, Council Member

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered, with the agenda item number and subject shown preceding the applicable paragraph.

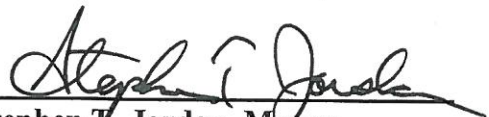
1. Call the Meeting to Order and Establish a Quorum: Mayor Jordan called the meeting to order and established a quorum. Council Member Pope was absent.
2. Conduct Second Public Hearing Regarding Proposed Property Tax Rate: Mayor Jordan stated when the proposed tax rate exceeds the effective tax rate; state law requires the City to hold two public hearings to allow the public to voice their opinions. He said this was the second of two tax rate hearing with the first being held August 30, 2016 at 3:00 p.m. in the City Council Chambers. Mayor Jordan reported the proposed property tax rate for the tax year 2016 was a maximum of 26 cents per \$100 valuation. He explained when the Council adopts the tax rate it could not exceed the proposed rate of 26 cents, but could adopt a lower rate. Next, Mayor Jordan reported the City Council would meet again on September 20, 2016 at 3:00 p.m. in the City Council Chambers to conduct a public hearing on the Proposed FY 2017 Budget and after the budget hearing the Council would adopt the FY 2017 Budget then adopt the 2016 Tax Rate. Mayor Jordan convened a public hearing at 9:05 and asked if there were any comments. There were none and he adjourned the public hearing at 9:06 p.m.
3. Discuss Proposed Utility Rates: Community Services Director Jeff Koska reported to the Council that after further study since the last budget meeting, they found there was a \$248,000 bond payment that could be paid from the Summit Rock PID. This allowed them to drop the utility rate increase from 14.6% to 9%. Council Member Clinesmith asked staff to explain the \$248,000 bond payment. Finance Director Larry Anderson explained that the Debt Service payments are budgeted in the Utility Fund for their portion of the bonds. He said what was not shown in the Utility Fund was the PID funds collected from Summit Rock and the intent all along was to use those funds to make the Debt Service Payments. Mr. Anderson said by recognizing the fact that those payments will not have to be made from the Utility Fund but could come from the Summit Rock PID proceeds they were able to reduce the Utility Fund expenses by that amount.
4. Discuss Rate Stabilization Fund: Finance Director Larry Anderson gave a detailed account of how the funds in the Rate Stabilization Fund were spent. He explained that \$8,532,031 went for street improvements, \$1,327,795 transferred from the Utility Fund to pay budgeted

administration fees to the General Fund,\$2,540,297 paid transfers out of debt service to pay budgeted principal and interest. \$275,828 was transferred to the Utility Fund for accounts payable and payroll expenses for a total of \$12,675,951. He explained due to the inability to keep large sums of money in the operating account at the bank that the money was transferred to TexPool account which is able to insure larger sums of money similar to a savings account. It was determined that increasing the tax rate by one cent would generate approximately \$178,000 while increasing the utility rates by 9% would generate approximately \$400,000. The consensus of the Council was to accept changing the budget to reflect the lower 9% rate increase.

2. Adjournment: Mayor Pro Tem Haydon made the motion to adjourn at 9:45 a.m., seconded by Council Member Gray. Motion passed unanimously (4-0).

APPROVED this 20th day of September, 2016.

CITY OF HORSESHOE BAY, TEXAS


Stephen T. Jordan, Mayor

ATTEST:


Teresa L. Moore, City Secretary

